

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

R

W-01539A
Rose Valley Water Company
Gary Brasher
PO Box 1444
Green Valley, AZ 85622

RECEIVED

APR 10 2008

AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

ANN 04	07
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PROCESSED BY:

4-11-08

SCANNED

TO: Public Service Corporations (Water Utilities)

FROM: Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

RE: UTILITIES DIVISION ANNUAL REPORT, CALENDAR YEAR ENDING
DECEMBER 31, 2007

Enclosed is the Utilities Division Annual Report form for the calendar year ending December 31, 2007.

All public service corporations must file a Utilities Division Annual Report with the Commission pursuant to the Constitution of the State of Arizona, Article 15, Section 13; Arizona Revised Statutes, Section 40-204; and Commission Rules contained in the Arizona Administrative Code.

The Annual Report must be completed and filed by **April 15, 2008**. Failure to file an Annual Report by this date will result in the issuance of a complaint and order to show cause resulting in administrative fines. If you require additional time to file your Annual Report, you may make a request to the Commission by addressing a letter to:

**Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007**

However, you must still file the "VERIFICATION AND SWORN STATEMENT" and the "VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE" forms from the back of the Annual Report form by **MAY 1, 2008**, pursuant to Arizona Revised Statute 40-401.

Mail or deliver the completed Annual Report to:

**Arizona Corporation Commission
Compliance Section - Utilities Division
1200 West Washington Street
Phoenix, Arizona 85007**

COMPANY INFORMATION

Company Name (Business Name) <u>Rose Valley Water Co, Inc.</u>		
Mailing Address <u>PO Box 1444</u>		
(Street)		
<u>Green Valley,</u>	<u>AZ</u>	<u>85622-1444</u>
(City)	(State)	(Zip)
<u>800-850-4482</u>	<u>520-625-9205</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address _____		
Local Office Mailing Address <u>(NONE)</u>		
(Street)		
_____	_____	_____
(City)	(State)	(Zip)
<u>Local Office Telephone No. (Include Area Code)</u>	<u>Fax No. (Include Area Code)</u>	<u>Cell No. (Include Area Code)</u>
Email Address _____		

MANAGEMENT INFORMATION

Management Contact: <u>GARY BRASHER</u>			<u>PRESIDENT</u>		
(Name)			(Title)		
<u>PO BOX 1444</u>	<u>GREEN VALLEY</u>	<u>AZ</u>	<u>85622</u>		
(Street)	(City)	(State)	(Zip)		
<u>800-850-4482</u>	<u>520-625-9205</u>				
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)			
Email Address <u>NONE</u>					
On Site Manager: <u>GLEN VORTHEMS</u>					
(Name)					
<u>8919 W JOHN CABOT RD PEORIA AZ 85382</u>					
(Street) (City) (State) (Zip)					
<u>623-546-8266</u>	<u>623-546-8528</u>	<u>602-989-1310</u>			
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)			
Email Address <u>gvgleg@cox.net</u>					

☒ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: JACQUELINE BRASHER
(Name)

PO BOX 1444 GREEN VALLEY, AZ 85622-1444
(Street) (City) (State) (Zip)
800-850-4482 520-625-9205

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Attorney: JOHN HELLENBOLT
(Name)

3430 E SUNRISE, STE 200 TUCSON, AZ 85718
(Street) (City) (State) (Zip)

520-792-1181

520-792-2859

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input checked="" type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input checked="" type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

COMPANY NAME

ROSE VALLEY WATER CO, INC.**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	4,597	4,597	0
307	Wells and Springs	31,067	5,868	25,199
311	Pumping Equipment	68,669	66,514	2,155
320	Water Treatment Equipment	85,000	85,000	0
330	Distribution Reservoirs and Standpipes	39,772	39,772	0
331	Transmission and Distribution Mains	993,432	316,542	676,890
333	Services			
334	Meters and Meter Installations	22,041	17,610	4,431
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	14,725	12,252	2,473
341	Transportation Equipment	9,142	8,598	544
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,268,445	556,753	711,692

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

ROSE VALLEY WATER CO, INC.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization		Various	
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	4,597		91
307	Wells and Springs	31,067		1,242
311	Pumping Equipment	68,669		253
320	Water Treatment Equipment	85,000		0
330	Distribution Reservoirs and Standpipes	39,772		105
331	Transmission and Distribution Mains	993,432		29,401
333	Services			
334	Meters and Meter Installations	22,041		431
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment	14,725		229
341	Transportation Equipment	9,142		1,306
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	1,268,445		33,058

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct No.	ASSETS	BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$77,493	\$94,205
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	16,364	15,278
	TOTAL CURRENT AND ACCRUED ASSETS	\$93,857	\$109,483
	FIXED ASSETS		
101	Utility Plant in Service	\$1,168,192	\$1,268,445
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(523,695)	(556,753)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$644,497	\$711,692
	TOTAL ASSETS	\$738,354	\$821,175

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$475,311	\$475,311
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	37,887	40,209
236	Accrued Taxes	2,877	2,877
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	70,000	165,000
	TOTAL CURRENT LIABILITIES	\$586,075	\$683,397
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	523,920	624,173
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$523,920	\$624,173
	TOTAL LIABILITIES	\$1,109,995	\$1,307,570
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$20,000	\$20,000
211	Paid in Capital in Excess of Par Value	300,000	300,000
215	Retained Earnings	(691,641)	(806,395)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$(371,641)	\$(486,395)
	TOTAL LIABILITIES AND CAPITAL	\$738,354	\$821,175

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$1,171,517	\$1,180,696
460	Unmetered Water Revenue		
474	Other Water Revenues		
	TOTAL REVENUES	\$1,171,517	\$1,180,696
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water		
615	Purchased Power	176,441	189,116
618	Chemicals	12,330	13,597
620	Repairs and Maintenance	49,210	72,195
621	Office Supplies and Expense	25,300	58,146
630	Outside Services	584,690	582,577
635	Water Testing	16,801	9,570
641	Rents	21,210	19,240
650	Transportation Expenses	16,707	14,881
657	Insurance – General Liability	124,305	124,026
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense		
403	Depreciation Expense	28,307	33,058
408	Taxes Other Than Income	97,182	101,087
408.11	Property Taxes	50,386	72,246
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$1,202,889	\$1,289,739
	OPERATING INCOME/(LOSS)	\$(31,372)	\$(109,043)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	7,763	5,711
	TOTAL OTHER INCOME/(EXPENSE)	\$(7,763)	\$(5,711)
	NET INCOME/(LOSS)	\$(39,135)	\$(114,754)

COMPANY NAME

ROSE VALLEY WATER CO, INC.

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan N/A				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$40,209

Meter Deposits Refunded During the Test Year

\$0

COMPANY NAME	ROSE VALLEY WATER CO, INC.
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-802981	15 HP	80	20	876	3	
55-802980	200 HP	575	20	1000	8	
55-571749	200 HP	1200	20	1000	8	1999

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	6	200	
125	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
22,000 Gallons	6	5,000 Gallons	1
400,000 Gallons	3	10,000 Gallons	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME	ROSE VALLEY WATER CO, INC.
Name of System:	ADEQ Public Water System Number:

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS *(see other)

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	2091
3/4	
1	247
1 1/2	8
2	38
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

ChlorinationSystem

STRUCTURES:

OTHER: *See as built plans filed at City of Peoria- Engineering Department

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME:	ROSE VALLEY WATER CO, INC.
Name of System:	ADEQ Public Water System Number:

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	2399	30,524	33,874	0
FEBRUARY	2399	22,909	25,394	0
MARCH	2399	24,042	27,569	0
APRIL	2399	30,364	33,428	0
MAY	2399	42,926	48,144	0
JUNE	2399	44,482	47,885	0
JULY	2400	51,180	55,027	0
AUGUST	2400	53,059	55,158	0
SEPTEMBER	2401	44,749	46,152	0
OCTOBER	2401	48,456	54,334	0
NOVEMBER	2401	40,297	42,922	0
DECEMBER	2401	29,620	31,995	0
TOTALS →		462,608	501,882	0

.0052 (POE 1)

What is the level of arsenic for each well on your system? .0054 (POE 2) mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
(☒) Yes (☐) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
(☒) Yes (☐) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
(☐) Yes (☒) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME ROSE VALLEY WATER CO, INC. YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 72,246.13

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

122100024
06/20/2007
006310233859

This is a LEGAL COPY of your
check. You can use it the same
way you would use the original
check.

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0044000037 06/19/2007
006310233859

ROSE VALLEY WATER COMPANY, INC.
P.O. BOX 1444
GREEN VALLEY, AZ 85622
PH. (800) 850-4482

JPMORGAN CHASE BANK, N.A.
PHOENIX, ARIZONA 85073
91-2-1221

6/15/2007

PAY TO THE
ORDER OF Maricopa County Treasurer

\$ **13,226.44

Thirteen Thousand Two Hundred Twenty-Six and 44/100

DOLLARS

Maricopa County Treasurer
P. O. Box 78574
Phoenix, AZ 85072-2133

MEMO

#631-01-108-2 - 2nd half 2006

0007295 122100024

014249667 0001322644

0007295 122100024

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way you would use the original
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ROSE VALLEY WATER COMPANY, INC.
P.O. BOX 1444
GREEN VALLEY, AZ 85622
PH. (800) 850-4482

JPMORGAN CHASE BANK, N.A.
PHOENIX, ARIZONA 85073
91-2-1221

6/15/2007

PAY TO THE
ORDER OF Maricopa County Treasurer

\$ **506.82

Five Hundred Five and 82/100

DOLLARS

Maricopa County Treasurer
P. O. Box 78574
Phoenix, AZ 85072-2133

MEMO

#231-26-092-7 - 2nd half 2006

0007296 122100024

014249667 0000050582

0007296 122100024

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way you would use the original
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ROSE VALLEY WATER COMPANY, INC.
P.O. BOX 1444
GREEN VALLEY, AZ 85622
PH. (800) 850-4482

JPMORGAN CHASE BANK, N.A.
PHOENIX, ARIZONA 85073
91-2-1221

9/26/2007

PAY TO THE
ORDER OF Maricopa County Treasurer

\$ **10,796.78

Ten Thousand Seven Hundred Ninety-Six and 78/100

DOLLARS

Maricopa County Treasurer
P. O. Box 78574
Phoenix, AZ 85072-2133

MEMO

#631-01-102 9 - 1st half 2007

000744 122100024

014249667 0001079678

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85-18-87 8884-131 Maricopa CTV >864375463857<

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ROSE VALLEY WATER COMPANY, INC.
P.O. BOX 1444
GREEN VALLEY, AZ 85622
PH. (602) 850-4482

JPMORGAN CHASE BANK, N.A.
PHOENIX, ARIZONA 85073
91-2-1221

9/26/2007

PAY TO THE ORDER OF Maricopa County Treasurer

\$**581.13

Five Hundred Eighty-One and 13/100

DOLLARS

Maricopa County Treasurer
P. O. Box 78574
Phoenix, AZ 85072-2133

MEMO #231-26-092-7 - 1st half 2007

0007439 122100024

014249667 0000058113

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ROSE VALLEY WATER COMPANY, INC.
P.O. BOX 1444
GREEN VALLEY, AZ 85622
PH. (602) 850-4482

JPMORGAN CHASE BANK, N.A.
PHOENIX, ARIZONA 85073
91-2-1221

9/26/2007

PAY TO THE ORDER OF Maricopa County Treasurer

\$**11,619.58

Eleven Thousand Six Hundred Nineteen and 58/100

DOLLARS

Maricopa County Treasurer
P. O. Box 78574
Phoenix, AZ 85072-2133

MEMO #631-01-108 2 - 1st half 2007

0007440 122100024

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ROSE VALLEY WATER COMPANY, INC.
P.O. BOX 1444
GREEN VALLEY, AZ 85622
PH. (602) 850-4482

JPMORGAN CHASE BANK, N.A.
PHOENIX, ARIZONA 85073
91-2-1221

10/20/2007

PAY TO THE ORDER OF Maricopa County Treasurer

\$**581.13

Five Hundred Eighty-One and 13/100

DOLLARS

Maricopa County Treasurer
P. O. Box 78574
Phoenix, AZ 85072-2133

MEMO #231-26-092 7- 2nd half 2007

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MARICOPA CITY 004910573792

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MARICOPA CITY 004910573791

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MARICOPA CITY 006310027076

↓ Do not endorse or write below this line. ↓

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This is a LEGAL COPY of your check. You can use it the same way you would use the original check.

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ROSE VALLEY WATER COMPANY, INC.
P.O. BOX 1444
GREEN VALLEY, AZ 85622
PH. (800) 850-4482

JPMORGAN CHASE BANK, N.A.
PHOENIX, ARIZONA 85073
91-2-1221

10/20/2007

PAY TO THE ORDER OF Maricopa County Treasurer

\$10,796.78

Ten Thousand Seven Hundred Ninety-Six and 78/100

DOLLARS

Maricopa County Treasurer
P. O. Box 78574
Phoenix, AZ 85072-2133

MEMO #631-01-102 9 - 2nd half 2007

0007486 122100024

014249667 0001079678

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10/25/2007
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This is a LEGAL COPY of your check. You can use it the same way you would use the original check.

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29807

00440000377 10/24/2007
006310027077

ROSE VALLEY WATER COMPANY, INC.
P.O. BOX 1444
GREEN VALLEY, AZ 85622
PH. (800) 850-4482

JPMORGAN CHASE BANK, N.A.
PHOENIX, ARIZONA 85073
91-2-1221

10/20/2007

PAY TO THE ORDER OF Maricopa County Treasurer

\$11,619.58

Eleven Thousand Six Hundred Nineteen and 58/100

DOLLARS

Maricopa County Treasurer
P. O. Box 78574
Phoenix, AZ 85072-2133

MEMO #631-01-108 2 - 2nd half 2007

0007487 122100024

014249667 0001161958

0007487 122100024

014249667

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122100024
06/20/2007
006310233858

This is a LEGAL COPY of your check. You can use it the same way you would use the original check.

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IRR
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023
17107

00440000377 06/19/2007
006310233858

ROSE VALLEY WATER COMPANY, INC.
P.O. BOX 1444
GREEN VALLEY, AZ 85622
PH. (800) 850-4482

JPMORGAN CHASE BANK, N.A.
PHOENIX, ARIZONA 85073
91-2-1221

5/15/2007

PAY TO THE ORDER OF Maricopa County Treasurer

\$12,518.89

Twelve Thousand Five Hundred Eighteen and 89/100

DOLLARS

Maricopa County Treasurer
P. O. Box 78574
Phoenix, AZ 85072-2133

MEMO #631-01-102-9 - 2nd half 2006

0007294 122100024

014249667 0001251889

0007294 122100024

014249667

0001251889

044000037 06/19/2007
006310233858

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10112 - (34/3 - 311/23/11/
MARICOPA CTY 2004375-630576

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[illegible]

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

VERIFICATION

STATE OF ARIZONA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>MARICOPA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>GARY P. BRASHER, PRESIDENT</u>
COMPANY NAME	<u>ROSE VALLEY WATER CO, INC.</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

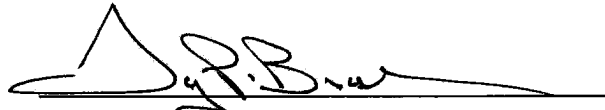
MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2007</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

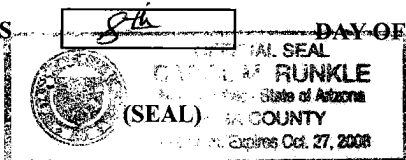
I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


SIGNATURE OF OWNER OR OFFICIAL
800-850-4482
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 8th DAY OF



MY COMMISSION EXPIRES 10-27-08

COUNTY NAME	<u>Santa Cruz</u>	
MONTH	<u>April</u>	<u>2008</u>
<u>Carolyn Runkle</u> SIGNATURE OF NOTARY PUBLIC		

COMPANY NAME ROSE VALLEY WATER CO, INC. YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following: N/A "S" Corp

Federal Taxable Income Reported
Estimated or Actual Federal Tax Liability

State Taxable Income Reported
Estimated or Actual State Tax Liability

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances
Amount of Gross-Up Tax Collected
Total Grossed-Up Contributions/Advances

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4-8-08
DATE

GARY P. BRASHER
PRINTED NAME

PRESIDENT
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 12 2008

ARIZONA COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)

MARICOPA

NAME (OWNER OR OFFICIAL) TITLE

GARY P. BRASHER, PRESIDENT

COMPANY NAME

ROSE VALLEY WATER CO, INC.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH

12

DAY

31

YEAR

2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 1,180,696

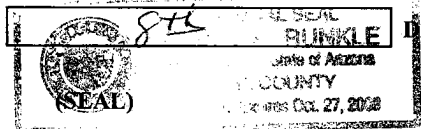
(THE AMOUNT IN BOX ABOVE
INCLUDES \$ \$101,086.59
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

COUNTY NAME

Santa Cruz

MONTH

April

2008

Carol M. Runkle

SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES 10-27-08

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED
APR 10 2008
AZ CORP COMM
Director Utilities

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) MARICOPA	
NAME (OWNER OR OFFICIAL) GARY P. BRASHER	TITLE PRESIDENT
COMPANY NAME ROSE VALLEY WATER CO, INC.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

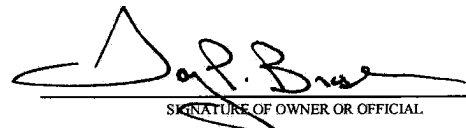
\$ 944,556.80

THE AMOUNT IN BOX AT LEFT

INCLUDES \$ 90,677.45

IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

800-850-4482

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

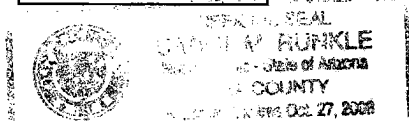
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

8th


DAY OF

(SEAL)



MY COMMISSION EXPIRES

NOTARY PUBLIC NAME Carol M. Runkle	
COUNTY NAME Santa Cruz	
MONTH April	YEAR 2008

X 

SIGNATURE OF NOTARY PUBLIC